110TH CONGRESS
1ST SESSION

H. R. 1666

To amend title XIX of the Social Security Act to provide for increased price transparency of hospital information and to provide for additional research on consumer information on charges and out-of-pocket costs.

IN THE HOUSE OF REPRESENTATIVES

MARCH 23, 2007

Mr. BURGESS (for himself and Mr. GENE GREEN of Texas) introduced the following bill; which was referred to the Committee on Energy and Commerce

---

A BILL

To amend title XIX of the Social Security Act to provide for increased price transparency of hospital information and to provide for additional research on consumer information on charges and out-of-pocket costs.

1   *Be it enacted by the Senate and House of Representa-*

2 *tives of the United States of America in Congress assembled,*

3   **SECTION 1. SHORT TITLE.**

4   This Act may be cited as the "Health Care Price

5 Transparency Promotion Act of 2007".

SEC. 2. INCREASING THE TRANSPARENCY OF INFORMA-
TION ON HOSPITAL CHARGES AND MAKING
AVAILABLE INFORMATION ON ESTIMATED
OUT-OF-POCKET COSTS FOR HEALTH CARE
SERVICES.

(a) IN GENERAL.—Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)) is amended—

(1) by striking "and" at the end of paragraph (69);

(2) by striking the period at the end of paragraph (70) and inserting "; and";

(3) by inserting after paragraph (70) the following new paragraph:

"(71) provide that the State will establish and maintain laws, in accordance with the requirements of section 1921A, to require disclosure of information on hospital charges, to make such information available to the public, and to provide individuals with information about estimated out-of-pocket costs for health care services."; and

(4) by inserting after section 1921 the following new section:

1 "INCREASING THE TRANSPARENCY OF INFORMATION ON

2   HOSPITAL CHARGES AND PROVIDING CONSUMERS

3   WITH ESTIMATES OF OUT-OF-POCKET COSTS FOR

4   HEALTH CARE SERVICES

5   "SEC. 1921A. (a) IN GENERAL.—The requirements

6 referred to in section 1902(a)(71) are that the laws of a

7 State must—

8   "(1) in accordance with subsection (b)—

9   "(A) require the disclosure of information

10   on hospital charges; and

11   "(B) provide for access to such informa-

12   tion; and

13   "(2) in accordance with subsection (c), require

14   the provision of a statement of the estimated out-of-

15   pocket costs of an individual for anticipated future

16   health care services.

17   "(b) INFORMATION ON HOSPITAL CHARGES.—The

18 laws of a State must—

19   "(1) require disclosure, by each hospital located

20   in the State, of information on the charges for cer-

21   tain inpatient and outpatient hospital services (as

22   determined by the State) provided at the hospital;

23   and

1 ''(2) provide for timely access to such informa-
2 tion by individuals seeking or requiring such serv-
3 ices.

4 ''(c) ESTIMATED OUT-OF-POCKET COSTS.—The laws
5 of a State must require that, upon the request of any indi-
6 vidual with health insurance coverage sponsored by a
7 health insurance issuer, the issuer must provide a state-
8 ment of the estimated out-of-pocket costs that are likely
9 to be incurred by the individual if the individual receives
10 particular health care items and services within a specified
11 period of time.

12 ''(d) RULES OF CONSTRUCTION.—Nothing in this
13 section shall be construed as—

14   ''(1) authorizing or requiring the Secretary to
15   establish uniform standards for the State laws re-
16   quired by subsections (b) and (c);

17   ''(2) requiring any State with a law enacted on
18   or before the date of the enactment of this section
19   that—

20   ''(A) meets the requirements of subsection
21   (b) or subsection (c) to modify or amend such
22   law; or

23   ''(B) meets some but not all of the require-
24   ments of subsection (b) or subsection (c) to

1 modify or amend such law except to the extent

2 necessary to address the unmet requirements;

3 "(3) precluding any State in which a program

4 of voluntary disclosure of information on hospital

5 charges is in effect from adopting a law codifying

6 such program (other than its voluntary nature) to

7 satisfy the requirement of subsection (b)(1); or

8 "(4) guaranteeing that the out-of-pocket costs

9 of an individual will not exceed the estimate of such

10 costs provided pursuant to subsection (c).

11 "(e) DEFINITIONS.—For purposes of this section:

12 "(1) The term 'health insurance coverage' has

13 the meaning given such term in section 2791(b)(1)

14 of the Public Health Service Act.

15 "(2) The term 'health insurance issuer' has the

16 meaning given such term in section 2791(b)(2) of

17 the Public Health Service Act, except that such term

18 also includes—

19 "(A) a medicaid managed care organiza-

20 tion (as defined in section 1903(m)); and

21 "(B) a Medicare Advantage organization

22 (as defined in 1859(a)(1), taking into account

23 the operation of section 201(b) of the Medicare

24 Prescription Drug, Improvement, and Mod-

25 ernization Act of 2003).

1   Section 1856(b)(3) shall not preclude the application

2   to a Medicare Advantage organization or a Medicare

3   Advantage plan offered by such an organization of

4   any State law adopted to carry out the requirements

5   of subsection (b) or (c).

6   "(3) The term 'hospital' means an institution

7   that meets the requirements of paragraphs (1) and

8   (7) of section 1861(e) and includes those to which

9   section 1820(c) applies.".

10   (b) EFFECTIVE DATE.—

11   (1) IN GENERAL.—Except as provided in para-

12   graph (2), the amendments made by subsection (a)

13   shall take effect on October 1, 2007.

14   (2) EXCEPTION.—In the case of a State plan

15   for medical assistance under title XIX of the Social

16   Security Act which the Secretary of Health and

17   Human Services determines requires State legisla-

18   tion (other than legislation appropriating funds) in

19   order for the plan to meet the additional require-

20   ments imposed by the amendment made by sub-

21   section (a), the State plan shall not be regarded as

22   failing to comply with the requirements of such title

23   solely on the basis of its failure to meet these addi-

24   tional requirements before the first day of the first

25   calendar quarter beginning after the close of the

1 first regular session of the State legislature that be-
2 gins after the date of the enactment of this Act. For
3 purposes of the previous sentence, in the case of a
4 State that has a 2-year legislative session, each year
5 of such session shall be deemed to be a separate reg-
6 ular session of the State legislature.

SEC. 3. RESEARCH ON INFORMATION VALUED BY CON-
SUMERS ON CHARGES AND OUT-OF-POCKET
COSTS FOR HEALTH CARE SERVICES.

10 (a) RESEARCH ON INFORMATION VALUED AND USED
11 BY CONSUMERS.—The Director of the Agency for
12 Healthcare Research and Quality (in this section referred
13 to as "AHRQ") shall conduct or support research, pursu-
14 ant to section 901(b)(1)(D) of the Public Health Service
15 Act (42 U.S.C. 299(b)(1)(D)), on—

16 (1) the types of information on the charges, and
17 out-of-pocket costs, for health care services that in-
18 dividuals find useful in making decisions about
19 where, when, and from whom to receive care;

20 (2) how the types of information valued by indi-
21 viduals for making such decisions vary by whether
22 they have health benefits coverage and, if they do,
23 the type of such coverage they have, such as tradi-
24 tional insurance, health maintenance organizations,

1 preferred provider organizations, and high deductible

2 plans coupled with health savings accounts; and

3   (3) ways in which such information may be

4 made available on a timely basis and in easy-to-un-

5 derstand form to individuals facing such decisions.

6 (b) REPORT.—The Director of AHRQ shall report to

7 the Congress on the results of such research not later than

8 18 months after the date of the enactment of this Act,

9 together with recommendations for ways in which the Fed-

10 eral Government can assist the States in achieving the ob-

11 jective specified in subsection (a)(3).

12 (c) AUTHORIZATION OF APPROPRIATIONS.—There

13 are authorized to be appropriated such sums as may be

14 necessary to carry out this section.

○